



NAVIGATING THE NOISE SEASON 2: GOING GLOBAL

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Introduction

After a successful first season of CHPA's Navigating the Noise podcast series, listeners wanted to expand on the topic areas discussed and explore new trends affecting the industry.

Continuing with his research and insights from leading experts and forward-thinking professionals, Brian David Johnson, CHPA's futurist, returned with new guests and five new topic areas to explore. Each podcast provides actionable steps listeners can take to shape the future of the industry and their business.

Futurecasting Process Overview

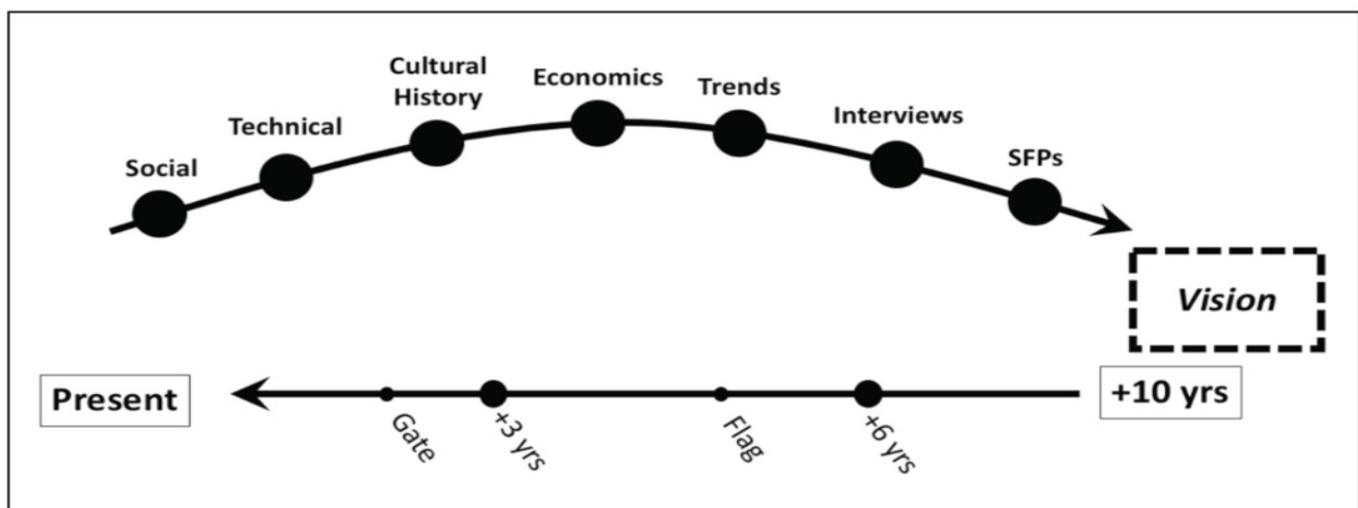
Futurecasting is a process for developing actionable visions for the future. Combining a variety of disparate inputs, including social science, technical research, economics, trend analysis, cultural history, qualitative domain expert interviews and science fiction, futurecasting models what it will feel like to be a human and live ten, fifteen or even twenty years into the future.

Futurecasting produces effects-based models. These models do not attempt to describe the future of a specific product, organization or condition. Futurecasting describes the desired effect that an organization might like to see realized or manifested in a decade's time. Conversely, depending upon the research inputs, the organization can also model the possible negative futures or effects that could occur. From these effects-based models, it is possible to examine multiple outcomes and a spectrum of futures. These futures can be useful for organizations who are active in complex, difficult to characterize markets and regulatory environments.

Once these futures have been developed, it is possible to "turn around" and backcast, exploring the specific steps that need to be taken to get to these futures and avoid the negative outcomes. Futurecasting identifies the steps or "gates" that organizations can take today, tomorrow and several years from now to actively shape their future.

The process can also identify the "flag" or events that could occur independent of the organization's actions, and that will nonetheless meaningfully impact the modeled futures. Traditional forms of scenario planning can also be used to dive deeper into the implications and actions that could occur from these events.

Ultimately the futurecasting process (see Figure 1.) combines a wide range of disparate research inputs, provides a framework to synthesize these inputs and develops multiple effects-based models. These models describe a range of experiences that a person, organization or actor could have in the future. These futures can, and should, span a spectrum running between the poles of the desirable and the undesirable. Using these defined futures, it is possible to then describe specific actions that an organization would need to take to both achieve or avoid these futures. Additionally, the futurecasting process gives organizations a framework to understand new or unexpected inputs and events, providing them a map to understand the possible impacts. (M Bennett. BD Johnson. Dark Future Precedents. Intelligent Environments 2016)



(Figure 1)

Customers of Tomorrow

Starting off the season, CHPA looked at the future of the workforce and how emerging generations are impacting professions that traditionally utilize corporate housing. Tomorrow's customers will have different desires and different decision-making processes, driven by technology and convenience.

Faced with overwhelming choices, corporate housing providers must understand their customers to align with their truest desires. Customers expect technology to treat them as individuals and intuitively meet their unique needs. The decision-making model is changing; employees want to actively participate in the process, and they want answers and customized options immediately.

“Visualize a decision-making model that’s like a compass. We’re navigating through life and there’s a needle, and we can see how close we are to our true north. You feel it in different ways. When you encounter a product or a brand or an experience that aligns with those deep and true desires, you feel joy and gratitude; maybe relief. But it has so much meaning and value to it that it’s almost difficult to put a price on it.”

- Julie Jenson Bennett, Precipice

“Employees want to be owners of the decision-making process. They don’t want to only rely on the employer to give them alternatives. They often come proposing their own solutions. They want to comply with the program, but they want to own their own decision.”

- Vladimir Dziak, global mobility professional

“[In the future] the serviced apartment sector will start to appeal to more leisure, more business transient, and more leisure transient guests.”

- Stephen Hanton, Synergy Global Housing

“The corporate traveler of today really is quite a bit different in their decision-making process than the traveler even just a few years ago. As technology’s evolved, this notion of immediacy in decision making is really becoming quite a bit more significant. We’re seeing our number of days booked in advance drop significantly, from 15 days down to less than seven. And this, combined with average length of stay reductions, really has required us to rethink the entire booking approach all the way through the entire tenancy.”

- Shree Khare, Oakwood Worldwide

TAKE ACTION

1. Find your customer's true north. If you can find that true north, your customers will come to you.
 - Think creatively to stay relevant to your customer and client base.
 - Innovate wherever you can; you must stay ahead of the curve.
2. Analyze your process of how you're engaging and communicating with people.
 - Understand how you can enable the end user to become participants in the process.
 - Customers want to know why providers are doing things in a certain way; discover the challenges you must overcome to meet the guest experience they're expecting.
3. Rethink how you interact with and communicate with guests.
 - Understand the shift from a B2B to B2C model. Embrace the fact that in the future ALL interactions will be B2C event when you are dealing with a client or customer.
 - Think about how to communicate with the consumer. This could mean chat bots or simply updating your FAQ.
 - Look critically at operations and see how to improve via technology.
 - The end user wants to engage with your brand, so look for new and interesting ways to connect.

The Future of Digital Security and Business

Cybersecurity is a major concern for business owners, and many don't know where to start. Protecting client data is an important element of duty of care; GDPR and other privacy laws have made this top-of-mind for many corporate housing providers and serviced apartment operators.

When implementing new technology, it is important to ask questions and understand what data is being collected and how it's being used. Most of the time, companies are using outside vendors for these services so security must be top of mind and companies must properly vet vendors' policies. Security and privacy must work together for an effective solution.

"We should think about digital security as every other kind of security. Every decision you make, every risk calculus you calculate; cybersecurity and securing that digital domain has got to be part of the conversation each and every day."

- Dr. Natalie Vanatta, Lieutenant Colonel, U.S. Army Cyber Institute

"As new technologies get rolled out, we're finding that there's less and less time being spent on security. There's a push for time to market that leaves these new technologies vulnerable. Businesses have to be more vigilant about what they're doing to protect that information and be very selective in the type of technologies they implement."

- Bob Siegel, Privacy Ref

TAKE ACTION

1. FOLLOW these 3 Important Steps for Cybersecurity:
 - Patch your devices and computers; apply security updates as they become available.
 - Question when applications and webpages ask for your information.
 - Don't use the same password for everything.
2. Prioritize Security.
 - Just like physical security is always a concern, digital security should always be a concern.
 - Have a plan in place for a breach. Make sure your response is quick and decisive; share it internally within your teams and externally with your customers so they are confident in your role in the duty of care process for their employees.
3. Collaborate.
 - Digital security is a big and new problem, but it's surmountable when you collaborate with others to identify the requirements you need for security.
 - Consider finding a trusted expert to help your company navigate digital security.
 - Be vigilant and selective in the new technology that you choose and in the partners with whom you choose to collaborate.

Buildings of the Future

Buildings are evolving because of changes in technology, resources, global population growth, and the availability of skilled craftsmen. A shortage in skilled labor is leading to new construction technologies such as 3D printing and robotic brick laying. Developers want to reduce the carbon footprint and make their buildings more sustainable and efficient, rather than the “disposable architecture” common today.

The future of buildings is impacted by more than just the design and building process though. Consumer desires influence these changes as well and those expectations are already here. They want spaces that allow them to connect with others while traveling and expect technology they’d experience in their homes to be available in their rentals.

The American Institute of Architects has estimated that by 2060 we will have doubled the amount of square footage that we have in buildings across the globe today. That’s the equivalent of building an entire New York City in 34 days every 34 days for the next 40 years.

“How can we not just create the spaces, but get the community that’s staying with us to engage and become friends, become neighbors? Finding new ways and creative activities to make that happen is going to be one of our keys to success.”

- George Westwell, Cheval Residences

“Think of how you run the buildings of the future. There’s a shift in how we’re working, and tech can help augment things. You have trained technicians that know when to go repair an HVAC unit or a leaking faucet before the resident is complaining and you get a bad review online. It shifts the work to be more proactive and predictive.”

- Sean Miller, President, PointCentral

“People mix work and leisure. They come for a few days for work, and they would stay on for a few more days for leisure. So, we need to make sure our spaces allow for both serious work and fun play as well.”

- Mindy Teo, Vice President of Brand, Marketing and Digital Innovation for the Ascott Limited

TAKE ACTION

1. Start small.

- Look at small opportunities that might improve ROI or make things easier for you or your guests.
- Consider easy ways to retrofit older units such as smart appliances, smart outlets, smart lights.
- As you look at solutions or devices, consider an enterprise level solution rather than a consumer solution.

2. Be creative with the resources at hand.

- Think through the guest experience from beginning to end. What technology powers your guest experience, and how can that be enhanced?
- How will your buildings evolve? What will they be like when they are the buildings of tomorrow?

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The Future of Markets, Regulation and Business

The corporate housing/serviced apartment sector is highly impacted by changes in markets, regulation and business. As markets shift between globalization and nationalism, corporate housing/serviced apartments needs reflect those market conditions. Both offer their own unique advantages and disadvantages.

“We are gaining from globalism and nationalism at the same time... When we first started, more than 90% of our guests staying in our properties in China were foreign, but now a lot of local Chinese also stay in our properties. While yes, there may be some trade tensions and there’s a sense of nationalism, companies will go where the market is. These create opportunities for extended stay corporate housing providers.”

- Ervin Yeo, Regional General Manager for the Ascott Limited

“Our business is a major beneficiary for the way the economy and globalization are emerging as a lifestyle. The way people live and work is dramatically different today. Today, people will take temporary jobs, temporary opportunities; on the move for a few months or a better part of a year, and then they’ll move on to the next job and it might be somewhere else around the globe. Our business is perfectly well-suited for that because we provide temporary living.”

- John Wagner, Cycas Hospitality

TAKE ACTION

1. Analyze your market. Understand how your company benefits from globalism and how it benefits from nationalism, and analyze what could happen if markets shift one way or the other.
 - Every market is unique; take a step back and think about how these trends impact your company, your supply chain and the companies/guests you serve.
2. Review what impact changes to the market would have on your customers.
 - Would this impact ability to get visas? To create jobs in new markets? To import/export? How would this in turn impact your company’s ability to serve your client base?
 - Understand the business impacts—businesses will move where the market is.
3. Consider globalization as a lifestyle.
 - Ensure your properties are speaking not just to domestic travelers, but also to the global audience.
 - Ensure your properties are not isolating to guests who may be traveling long distances from their homes.

The Future of Mobility

The workforce of the future is mobile. Employees want the ability to get out there, to work in different places and have more flexibility—and this will only increase.

Over the past decade, a rising number of young professionals, primarily from the United States and Europe, have leveraged the use of technology to work remotely and live a nomadic lifestyle. A forecast of employment trends by the World Economic Forum called flexible work, including virtual teams, “one of the biggest drivers of transformation” in the workplace, while a Gallup poll found that 37% of respondents have already worked virtually. According to Upwork’s Future Workforce Report, in a survey of 1,000 hiring managers, 55% agree that remote work among full-time employees is more common now, and say they expect up to 38% of their full-time workers will be working remotely in the next decade.

“Currently people look for jobs at companies that fulfill a desire, ambition or aspiration of their own. The brand represents something for them. When you can start renting a life outside of the job as well, if the live/work becomes a linked subscription package, that’s fascinating for companies, because what is a company’s lifestyle outside the office for their mobile workers? And how do they badge those people?”
- Renny Gleeson, Global Director of Interactive Strategy, Wieden+Kennedy

“There’s no question that UK nationals are more mobile than they used to be, more willing to move for work, and I think that combines with more employers finding great value in their staff getting global experience. And so they are more excited about moving staff.”
- David Smith, Co-Founder, City Apartments Ltd

“Fewer people are choosing to want to stay in traditional hotels. So if you look at what’s happening with bleisure, or blending business with leisure, and the explosion with other models, what you’re finding and learning is that corporate housing has a very real role to play in that, because people don’t want the hotel experience, they’d rather have the homey experience, or the experience of corporate housing, and the solutions of providers.”
- Peggy Smith, CEO, Worldwide ERC

TAKE ACTION

1. Design local experiences for global travelers.
 - People don’t want to replicate their home when they’re traveling; they want to experience something local.
 - Think of new ways to bring in this local experience. It could be the brand of the city where you’re located, or the brand of the company using the unit.
 - Design the experiences you want for each guest; experiences could be different based on length of stay.
2. Make sure that your business infrastructure works.
 - Make sure your communication and technology infrastructures work. As people are more mobile, they will rely on technology more often and it must be intuitive and work immediately. They can not afford downtime.
3. Explore subscriptions.
 - What do you do in your business that might be flipped into a subscription? Whether that’s for your own business operations or for the experience of the guest, subscriptions can provide more flexibility and unique offerings.
 - Instead of providing a certain product or service yourself, subscribe to it. This provides more flexibility and is adaptable for companies of all sizes.

Conclusion

While the future is unpredictable, these trends give us a strong indication of where the industry could be headed and how to prepare business to adapt and thrive in these new environments.

New technology continues to emerge and with it, new expectations, new security threats, new business practices and new workforce cultures. Corporate housing and serviced apartments are more global than ever with these shifts, and understanding trends to prepare your business for the future is key.

To explore these topics deeper visit www.chpaonline.org/future.